



55th ANNUAL REPORT

FISCAL YEAR 2010-2011

POOLED MONEY

INVESTMENT

BOARD

BILL LOCKYER
State Treasurer and Chairman

Preface

Pooled Money Investment Board

The Pooled Money Investment Board (PMIB), created by the Legislature in 1955, is comprised of the State Treasurer, as chairman; the State Controller and the Director of Finance. At the end of 2010-11, the members were Bill Lockyer, Treasurer; John Chiang, Controller; and Ana J. Matosantos, Director of Finance.

The purpose of the Board is to design and administer an effective cash management and investment program, called the Pooled Money Investment Account (PMIA). The PMIA uses all monies flowing through the Treasurer's bank accounts and keeps all available funds invested consistent with the goals of safety, liquidity and yield.

The law restricts the Treasurer to investments in the following categories: U.S. government securities; securities of federally-sponsored agencies; domestic corporate bonds; interest-bearing time deposits in California banks, savings and loan associations, and credit unions; prime-rated commercial paper; repurchase and reverse repurchase agreements; security loans; banker's acceptances; negotiable certificates of deposit; negotiable order of withdrawal accounts; and loans to various bond funds. Subsequent sections of this report deal individually with the demand account and investment programs for which the Board has oversight responsibilities, and which the Treasurer directly administers.

During 2010-11, the PMIA's earnings totaled \$333 million. Approximately \$113 million of this amount was credited to units of local government as a result of their deposits in our investment pool. The level of local governments' voluntary investment, which averaged \$22.76 billion, reflects the confidence these agencies have in our investment management capabilities. The magnitude of these investment earnings provide a significant reduction in the tax burden that otherwise would have been imposed on the citizens of California.

Pooled Money Investment Board

55th Annual Report

Fiscal Year 2010-2011

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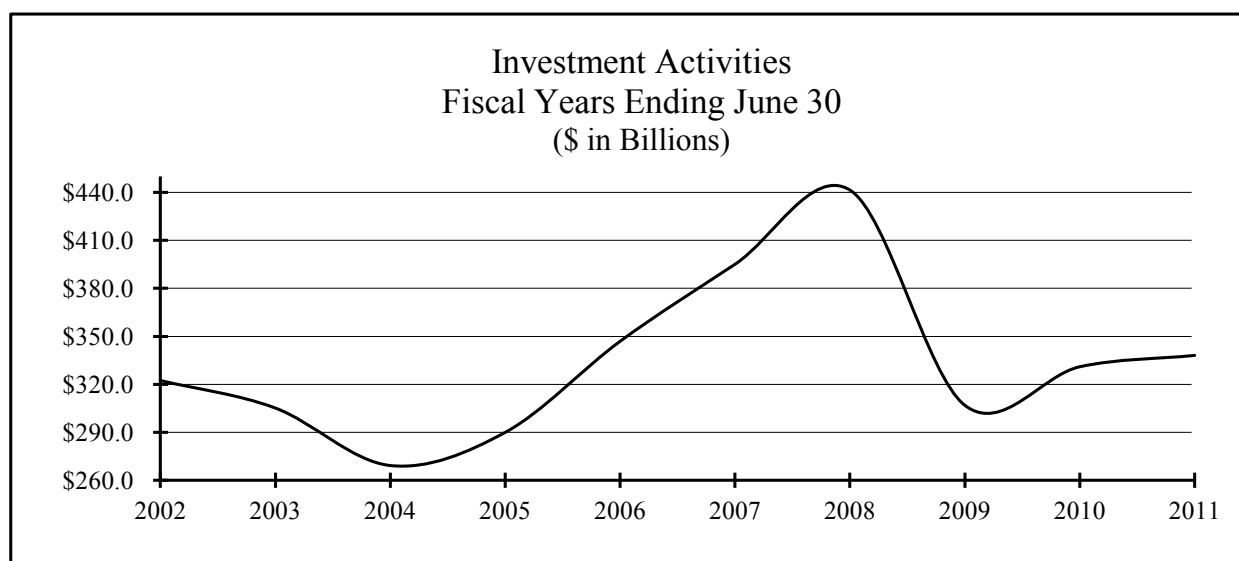
Overview

The Year in Review

Average Daily Portfolio.....	\$ 67,221,702,888
Earnings.....	\$332,579,479
Effective Yield.....	0.49%

Investment Activity for Fiscal Years Ending June 30 2002 through 2011 (\$ in Billions)

Fiscal Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Amount	\$322.3	\$305.1	\$269.1	\$289.8	\$346.8	\$395.0	\$441.5	\$306.8	\$330.9	\$338.0
Transactions	8,025	7,524	6,630	6,961	8,242	9,448	10,528	7,346	7,680	7,678



Source: State Treasurer's Office, Investment Division

2010-11 Investment Market Conditions

To indicate prevailing market conditions during 2010-11, the following table shows monthly money market rates, as computed from daily closing bid prices. The information was obtained from the Federal Reserve Statistical Release.

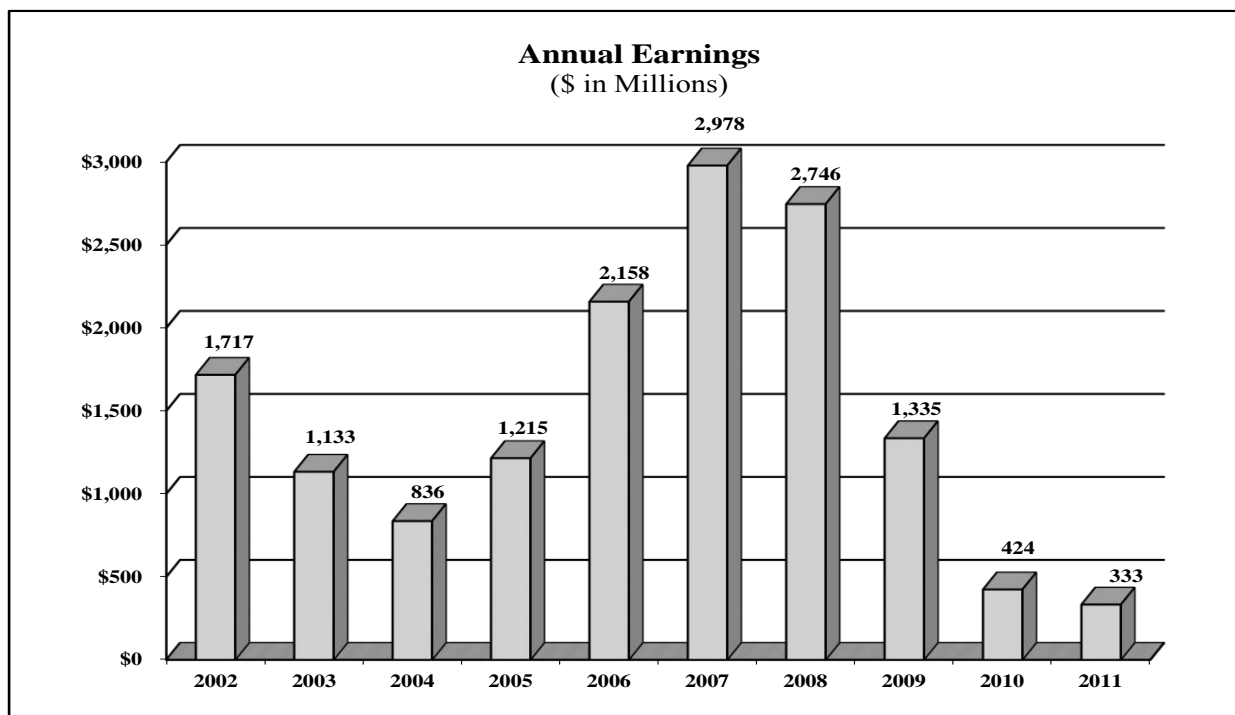
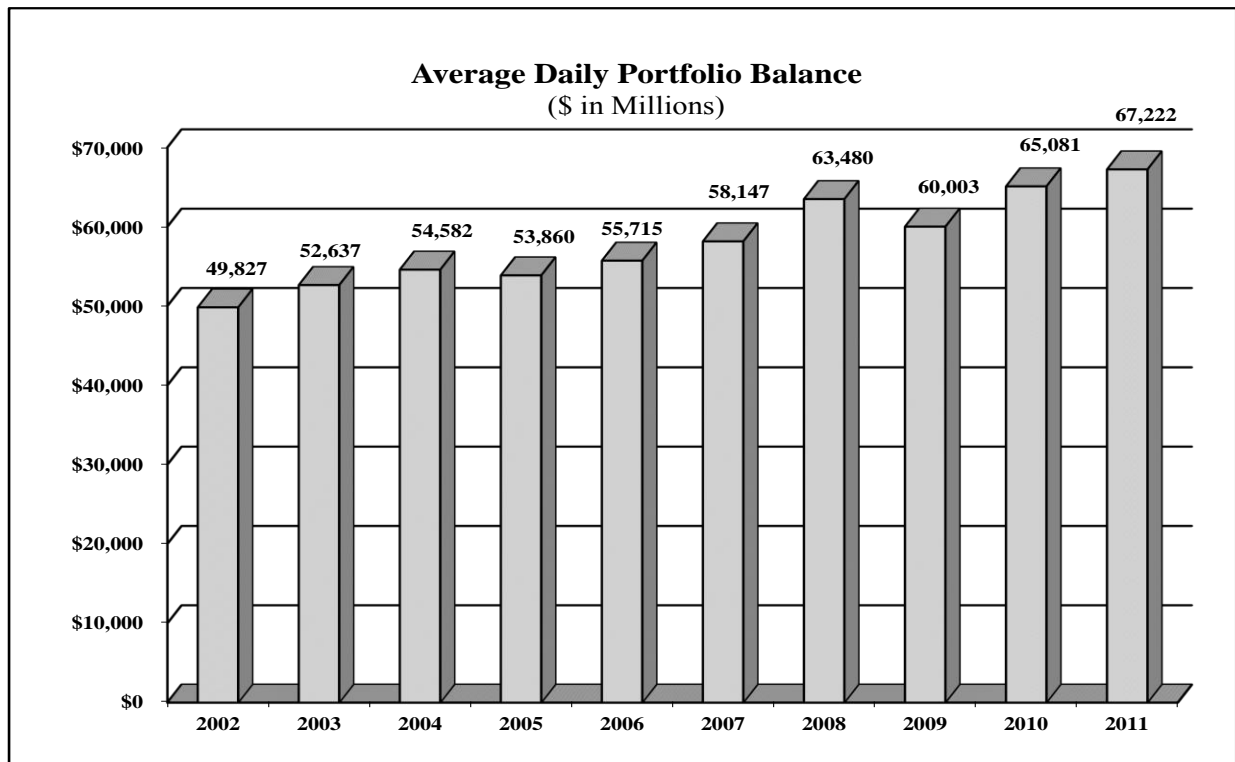
Monthly Yield on Money Market Securities (Yield in Percent per Year)

Month	Federal Funds	90-Day Finance Company Commercial Paper	90-Day Certificate of Deposits	3-Month Treasuries	6-Month Treasuries	1-Year Treasuries	3-Year Treasuries
July 2010	0.18	0.37	0.41	0.16	0.20	0.29	0.98
August	0.19	0.27	0.32	0.16	0.19	0.26	0.78
September	0.19	0.25	0.28	0.15	0.19	0.26	0.74
October	0.19	0.25	0.27	0.13	0.18	0.23	0.57
November	0.19	0.25	0.27	0.14	0.18	0.25	0.67
December	0.18	0.27	0.30	0.14	0.19	0.29	0.99
January 2011	0.17	0.26	0.29	0.15	0.18	0.27	1.03
February	0.16	0.25	0.28	0.13	0.17	0.29	1.28
March	0.14	0.23	0.28	0.10	0.16	0.26	1.17
April	0.10	0.22	0.23	0.06	0.12	0.25	1.21
May	0.09	0.18	0.21	0.04	0.09	0.19	0.94
June	0.09	0.17	0.22	0.04	0.10	0.18	0.71
2010-2011 Average	0.16	0.25	0.28	0.12	0.16	0.25	0.92
2009-2010 Average	0.15	0.27	0.29	0.12	0.20	0.39	1.45
Increase-(Decrease)	0.01	(0.02)	(0.01)	0.00	(0.04)	(0.14)	(0.53)

Note: Yields on Treasury nominal securities at “constant maturity” are interpolated by the U.S. Treasury from the daily yield curve for non-inflation-indexed Treasury securities. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations obtained by the Federal Reserve Bank of New York. The constant maturity yield values are read from the yield curve at fixed maturities, currently 1, 3, and 6 months and 1, 2, 3, 5, 7, 10, 20, and 30 years. This method provides a yield for a 10-year maturity, for example, even if no outstanding security has exactly 10 years remaining to maturity. The 90-day Commercial Paper is quoted on a discount basis.

Note: Totals may not add due to rounding.

Comparisons of Portfolio Balance and Earnings for Fiscal Years Ending June 30 2002 through 2011



Source: State Treasurer's Office, Investment Division

Pooled Money Investment Account

Summary Statistics

Resources	\$	68,868.9	million per day on the average
Demand Accounts.....	\$	1,647.2	million per day on the average
Portfolio.....	\$	67,221.7	million per day on the average
Earnings	\$	294.0	million from security investments
		7.7	million from bank time deposits
		30.8	million from General Fund loans
Earning Rate		0.49	percent average for all investments
Dollar Value of Investment Transactions	\$	338.0	billion
Number of Investment Transactions		7,678	transactions
Time Deposits		60	banks, credit unions and savings banks held PMIA money at year-end

Source: State Treasurer's Office, Investment Division and Cash Management Division

Resources of the PMIA averaged \$68,868,908,888 per day during the fiscal year although the daily figures fluctuated widely with receipts and disbursements. The high point for the year occurred on December 23, 2010, when the total reached more than \$76,239,155,000. Resources for the account were lowest on June 28, 2011, when balances totaled approximately \$63,728,951,000.

A breakdown of an average day's resources during the fiscal year shows the following: \$1.647 billion in non-interest-bearing bank accounts; \$63.213 billion in securities and General Fund Loans; and \$4.008 billion in interest-bearing time deposits.

On the closing day of the fiscal year, the following resources were on hand in the PMIA:

Demand deposit balances	\$	1,890,171,338
Time deposit balances		3,968,140,000
Securities		<u>62,384,643,817</u>
Total Resources		\$68,242,955,155

Demand Account Program

Investments of the PMIA are made from monies flowing through the Treasurer's demand (non-interest-bearing) bank accounts maintained in eight banks that serve as State depositories. As of June 30, 2011, the eight depository banks were: Bank of America, Union Bank, Bank of the West, U.S. Bank, Wells Fargo Bank, Westamerica Bank, Citibank, and JP Morgan Chase. A portion of these deposits must remain in the accounts as compensating balances, which consist of: (1) a balance for uncollected funds and (2) a balance for banking services. Uncollected funds represent the total dollar amount of checks deposited by the State for which the banks give immediate credit, but for which the banks do not receive good funds until these checks are presented to the banks on which they are drawn. The State allows the banks an average balance for uncollected funds equivalent to 1.0 calendar days on all checks deposited other than cashier's checks and checks deposited under the presort deposit program.

All amounts in excess of these compensating balances are promptly invested by the Treasurer. Intensive and expert analysis of receipts and disbursement data is used daily to estimate the State's rapidly shifting cash position in order to determine exactly how much money is available for investment. This results in maximum earnings consistent with prudent management.

Under the presort deposit program, the major revenue collecting agencies sort their checks by the eight State depository banks and then deposit them directly into the banks on which they are drawn, thus avoiding the need for providing bank balances for uncollected funds. The remaining miscellaneous checks (drawn on non-State depository banks) are deposited into the State depository bank that holds the miscellaneous sort contract. For fiscal year 2010-11, Bank of America has the contract and receives bank balances equivalent to .945 calendar days for the amount of such deposits.

The balances allowed for banking services represent compensation for handling 318,411 bank deposits, 41.7 million checks deposited (0.3 million deposited remotely), 285,326 dishonored checks, \$935.0 million in currency deposited, \$9.1 million in coin deposited, and 125.3 million warrants paid.

Compensating balances are determined by a formula, which accounts for the estimated volume of each service item as well as its unit cost. The rate schedule for the compensating balance formula is determined through annual negotiations with the State's depository banks and the cost for any particular service may be raised or lowered as conditions warrant. Adjustments for the difference between actual and estimated workload for any fiscal year are made in the following fiscal year.

In addition to the rates shown below, the State agreed to include the costs of account reconciliation and electronic funds transfer (EFT) services within the compensating balance formula starting in 1991-92. The costs for these two services are paid (with balances) on a lagged, actual basis when billed by each bank. During 2010-11, a total of \$115.0 billion was collected under the EFT contract and approximately \$2.1 trillion flowed in and out of the State Treasurer's demand accounts.

The following schedule shows the approved rates, actual volume, and total costs for banking services for 2010-11:

Schedule of Banking Services 2010-11 Fiscal Year

Banking Service	Approved Charges	Actual Volume	Actual Cost
Encoded Checks Deposited - On Us			
"On Us"	\$0.04	14,807,791	\$592,312
"Other"	0.053	14,676,179	777,837
Remote Site	0.08	296,690	23,735
Remote Site Conversions			
Non Encoded Checks	0.09	11,913,284	1,072,196
Warrants	0.01	125,295,249	1,252,952
Checks Paid	0.12	556	67
Dishonored Checks *	5.50	142,663	784,647
Regular Deposits	1.40	178,637	250,092
Split Bag Deposits	0.55	139,774	76,876
Coin	0.01100	9,095,179	100,047
Currency	0.00105	934,954,469	981,702
Account Maintenance (ZBA's)	15.00	2,958	44,370
Account Maintenance (Demand & LAIF)	55.00	36	1,980
Daily Statements	6.00	1,828	10,968
Direct Billed Services			570,048
Subtotal Non-EFT Contract Services			\$6,539,829
EFT Contract Services (Direct Billed)			
Category I & III - ACH Debits	0.50	2,947,241	1,473,621
Category I - ACH Credits	0.021	4,135,510	86,846
Returned/Rejected Items	2.50	165,466	413,665
Category II - Items Processed	0.015	5,716,134	85,742
Other transactions	Various	283,473	225,074
Subtotal EFT Contract Services			\$2,284,947
Total Banking Services			\$8,824,776

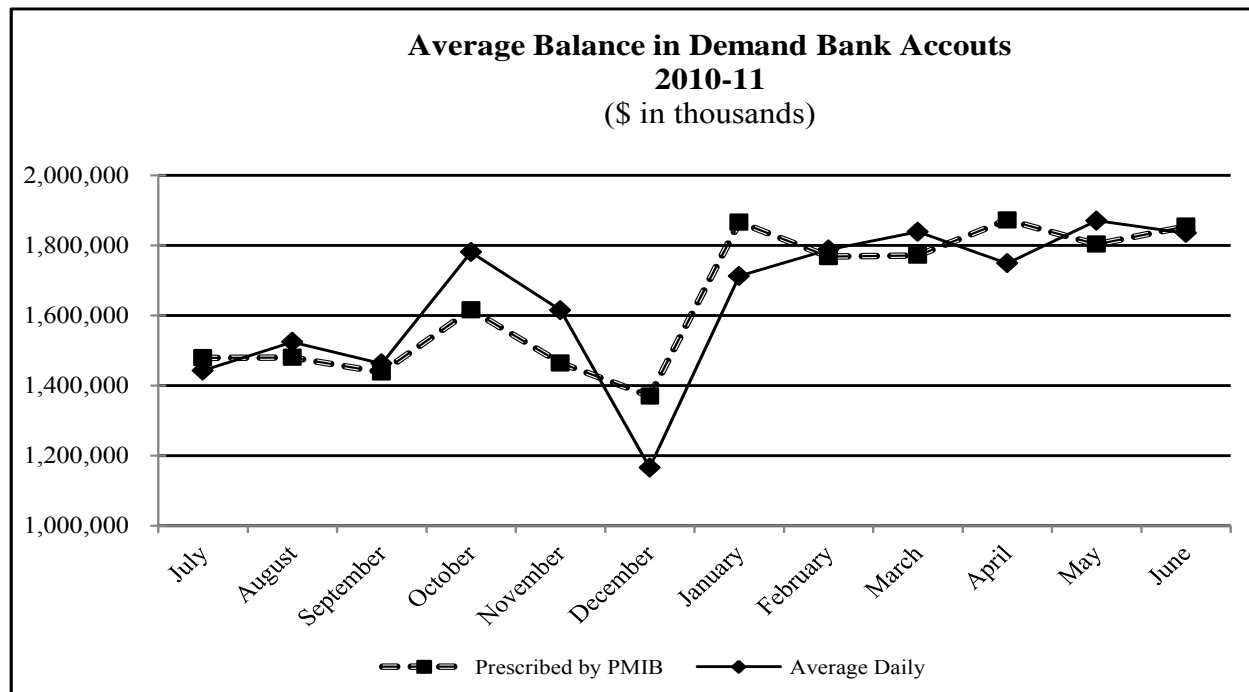
Source: State Treasurer's Office, Cash Management Division

Note: Totals may not add due to rounding.

* Items presented twice @ 2.75 per attempt

Average Daily Balance in Demand Bank Accounts 2010-11 (\$ in Thousands)

Month	Bank Balance Required for Banking Services	Bank Balance Required for Uncollected Funds	Less Net Delayed Deposit Credit	Bank Balance Prescribed by PMIB	Actual Average Daily Bank Balance
July 2010	\$1,390,414	\$93,481	\$4,931	\$1,478,964	\$1,442,562
August	\$1,375,427	109,313	4,724	1,480,016	1,524,145
September	\$1,341,692	103,318	7,116	1,437,894	1,462,533
October	\$1,543,885	77,922	6,061	1,615,745	1,780,355
November	\$1,375,647	91,443	3,160	1,463,930	1,614,842
December	\$1,249,566	124,375	4,213	1,369,728	1,165,797
January 2011	\$1,713,655	155,959	3,500	1,866,114	1,712,470
February	\$1,654,611	119,539	6,551	1,767,599	1,787,403
March	\$1,690,870	83,296	2,988	1,771,178	1,838,326
April	\$1,713,397	162,413	3,653	1,872,157	1,748,837
May	\$1,663,657	143,235	4,113	1,802,779	1,870,138
June	\$1,736,305	121,649	3,978	1,853,976	1,834,966
Weighted Average	\$1,536,417	\$115,416	\$4,567	\$1,647,265	\$1,647,206



Source: State Treasurer's Office, Cash Management Division

Note: Totals may not add due to rounding.

Investment Program

Although the PMIB designates how much shall be invested in interest-bearing time deposit accounts and securities, it is the responsibility of the State Treasurer to administer the investment program on a day-to-day basis in line with overall Board policy. This entails a daily determination of amounts available for investment, or the need for liquidating securities to meet estimated warrant redemption requirements, while maintaining the approved compensating balance position. This means that the State Treasurer must continually adjust the estimates for receipts and disbursements to reflect current, available information.

For 2010-11, daily investments in time deposits ranged from \$3,793,640,000 to \$4,226,650,000 and averaged daily \$4,008,345,233. There were 1,469 time deposit transactions totaling \$31,874,050,000 during the year. California commercial banks, savings banks and credit unions receiving these State deposits must secure them with approved securities having a market value of at least 110 percent of the deposits or with approved promissory notes secured by mortgages or deeds of trust having a market value of at least 150 percent of the deposits. The same collateral requirements also apply to the State's demand accounts. As of December 30, 2010, the FDIC fully insured all non-interest bearing demand accounts until December 31, 2012. At the end of 2010-11, interest-bearing time deposits were held by 50 commercial banks, 6 credit unions and 4 savings banks throughout California. For the fiscal year, PMIA holdings in time deposits had an average yield of 0.19 percent.

The amount of money designated by the Board for investment in securities varies dramatically throughout the year. Such designations are made at least monthly. Again, the Treasurer handles the actual investments, determining the issue and maturity of authorized securities to be bought or sold in accordance with cash needs and both current and projected market conditions. During 2010-11, there were 3,096 security purchase transactions and 3,113 security sales or redemption transactions, with a total investment activity of \$306.1 billion.

Total earnings for the PMIA in 2010-11 were \$332,579,479. These earnings were credited as follows:

General Fund	\$ 37,066,805
Fish and Game Preservation Fund	\$ 393,202
Surplus Money Investment Fund	\$ 181,259,025
Local Agency Investment Fund	\$ 112,656,195
Public Employee's Retirement Fund	\$ 787,046
State Teacher's Retirement Fund	\$ 417,206

Earnings consisted of \$294,039,371 from security investments at an average 0.52 percent yield, \$7,712,592 from time deposits at an average 0.19 percent yield and \$30,827,515 from General Fund loans at an average 0.48 percent yield. The overall return on investment was 0.49 percent.

The portfolio holdings of the PMIA for 2010-11 are illustrated in the following tables:

Schedule of Security Purchases by Term 2010-11 Fiscal Year (At Cost - \$ in Thousands)							
Month	Under 10 Days	10-29 Days	30-89 Days	90 Days- 1 Year	1 - 3 Years	Over 3 Years	TOTALS
July 2010	0	914,891	3,984,500	2,791,975	401,552	199,563	8,292,482
August	474,988	149,982	4,722,991	1,896,674	1,397,447	0	8,642,081
September	849,994	2,704,837	5,934,536	2,793,287	0	0	12,282,653
October	5,824,893	3,619,727	3,414,474	6,287,902	100,004	0	19,246,999
November	1,799,939	2,249,758	6,649,085	2,294,124	0	0	12,992,905
December	0	1,074,882	6,773,379	8,908,811	1,784,288	1,388,156	19,929,516
January 2011	199,990	2,174,768	3,954,071	3,538,865	497,658	24,195	10,389,547
February	249,998	1,724,867	2,794,459	1,378,262	1,916,995	0	8,064,580
March	2,149,946	2,049,885	974,711	5,766,649	2,361,379	14,585	13,317,154
April	599,992	2,129,903	3,944,201	5,191,476	650,982	0	12,516,555
May	0	294,978	6,179,415	2,247,471	2,302,377	0	11,024,241
June	393,995	1,147,960	3,233,629	5,841,966	5,416,099	15,944	16,049,592
Total	12,543,733	20,236,438	52,559,451	48,937,462	16,828,781	1,642,442	152,748,307
Percent	8.21%	13.25%	34.41%	32.04%	11.02%	1.08%	100.00%

Source: State Treasurer's Office, Investment Division

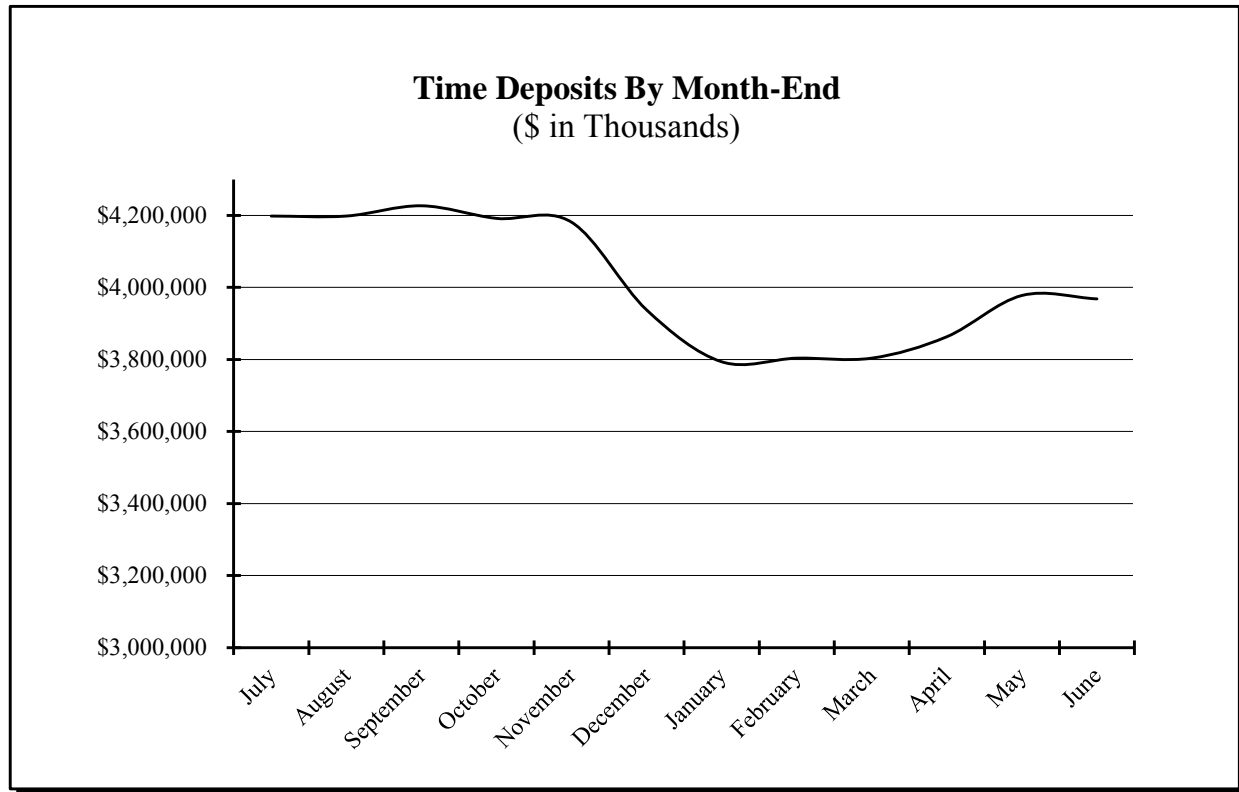
Analysis of the Portfolio 2010-11 Fiscal Year						
Type Of Security	Average Daily Portfolio	Percent of Portfolio	Earnings For Year	Effective Percentage Yield For Year	Average Portfolio Life on 6/30/11 (in Days)	Percent of Portfolio on 6/30/11
U.S. Treasury Bills/Strips	\$25,412,915,422	37.80	\$80,539,737	0.32	200	37.40
U.S. Treasury Bonds & Notes	\$7,176,173,921	10.68	\$101,727,480	1.42	640	16.14
Federal Agency Cpn Securities	\$1,844,676,401	2.74	\$9,634,879	0.52	133	3.65
Federal Agency Discount Notes	\$7,332,172,575	10.91	\$29,225,044	0.40	152	5.19
GNMA	\$58,867	0.00	\$6,951	11.81	4381	0.00
FHLMC	\$559,268,510	0.83	\$29,076,999	5.20	4381	0.71
Negotiable CDs	\$7,626,553,036	11.35	\$23,607,285	0.31	60	11.46
Time Deposits	\$4,008,345,233	5.96	\$7,712,592	0.19	47	5.98
Bankers Acceptances	\$0	0.00	\$0	0.00	0	0.00
Commercial Paper	\$6,403,222,051	9.53	\$17,260,297	0.27	44	11.27
Corporate Bonds	\$23,493,151	0.03	\$80,223	0.34	0	0.19
Repurchase Agreements	\$34,520,548	0.05	\$77,193	0.22	0	0.00
Reverse Repurchase Agreements	\$0	0.00	\$0	0.00	0	0.00
AB 55 Loans	\$355,393,036	0.53	\$2,803,283	0.79	247	0.70
General Fund Loans	\$6,444,910,137	9.59	\$30,827,515	0.48	0	7.30
Total Portfolio	\$67,221,702,888	100%	\$332,579,479	0.49%	237	100%

Source: State Treasurer's Office, Investment Division

Note: Totals may not add due to rounding.

Time Deposits by Month-End 2010-11 Fiscal Year

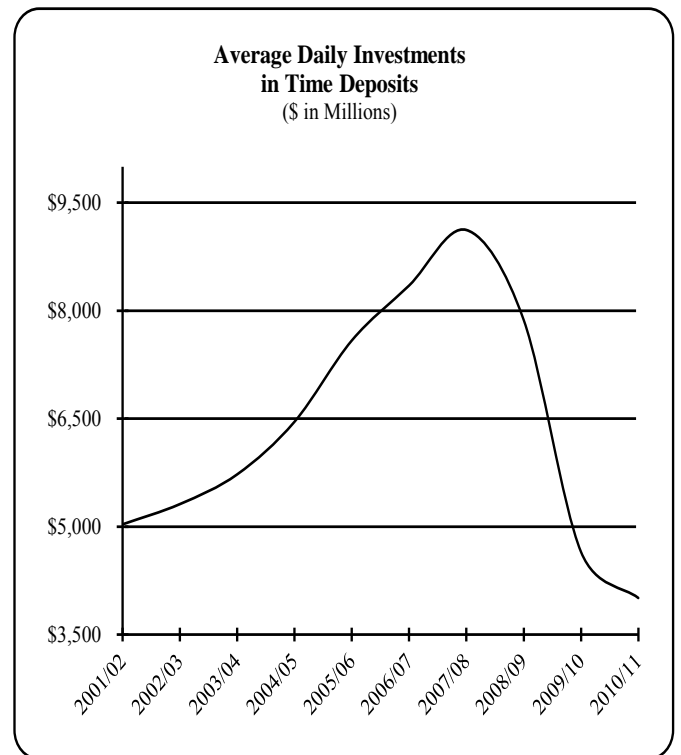
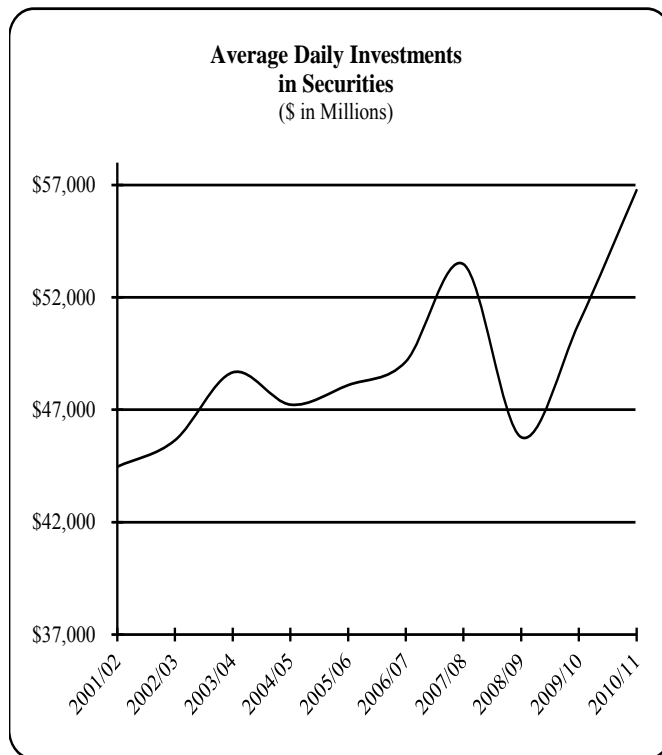
Month	Total
July 2010.....	\$4,198,150,000
August.....	4,198,150,000
September.....	4,226,650,000
October.....	4,191,650,000
November.....	4,181,140,000
December.....	3,937,640,000
January 2011.....	3,793,640,000
February.....	3,803,640,000
March.....	3,803,640,000
April.....	3,863,140,000
May.....	3,977,640,000
June.....	3,968,140,000



Source: State Treasurer's Office, Investment Division

Summary of Investments and Earnings for Fiscal Years Ending June 30 2002 through 2011 (\$ in Thousands)

Investment in Securities				Investment in Time Deposits			
Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)	Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)
2001-02	\$44,467,159	\$1,563,523	3.52	2001-02	\$5,031,747	\$143,920	2.86
2002-03	45,644,967	1,013,254	2.22	2002-03	5,313,015	84,296	1.59
2003-04	48,663,614	771,823	1.59	2003-04	5,726,197	61,298	1.07
2004-05	47,229,141	1,073,098	2.27	2004-05	6,457,397	138,940	2.15
2005-06	48,095,303	1,850,015	3.85	2005-06	7,586,240	306,641	4.04
2006-07	49,143,376	2,512,140	5.11	2006-07	8,349,640	431,452	5.17
2007-08	53,475,554	2,376,670	4.44	2007-08	9,120,990	329,215	3.61
2008-09	45,780,185	1,109,867	2.42	2008-09	7,869,934	91,806	1.17
2009-10	50,860,515	349,144	0.69	2009-10	4,647,944	9,429	0.20
2010-11	56,768,448	294,039	0.52	2010-11	4,008,345	7,713	0.19



Source: State Treasurer's Office, Investment Division

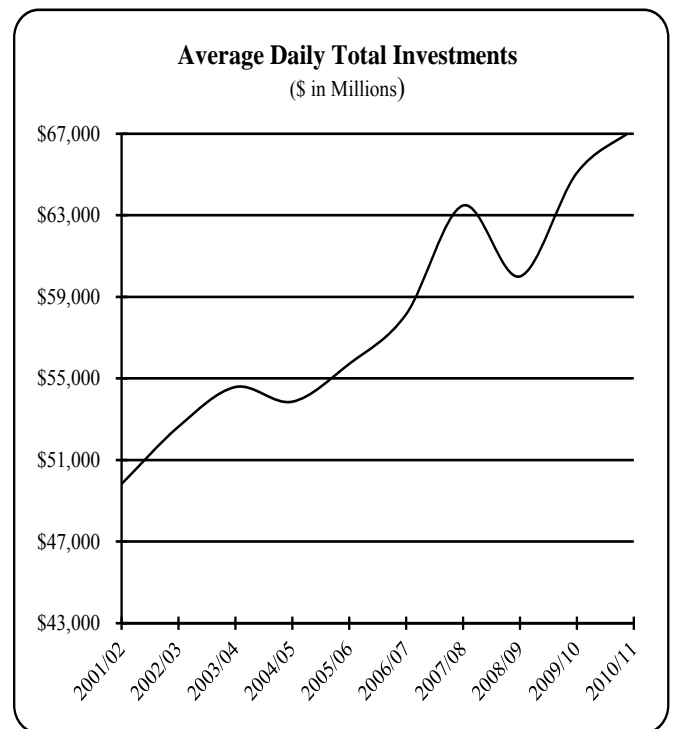
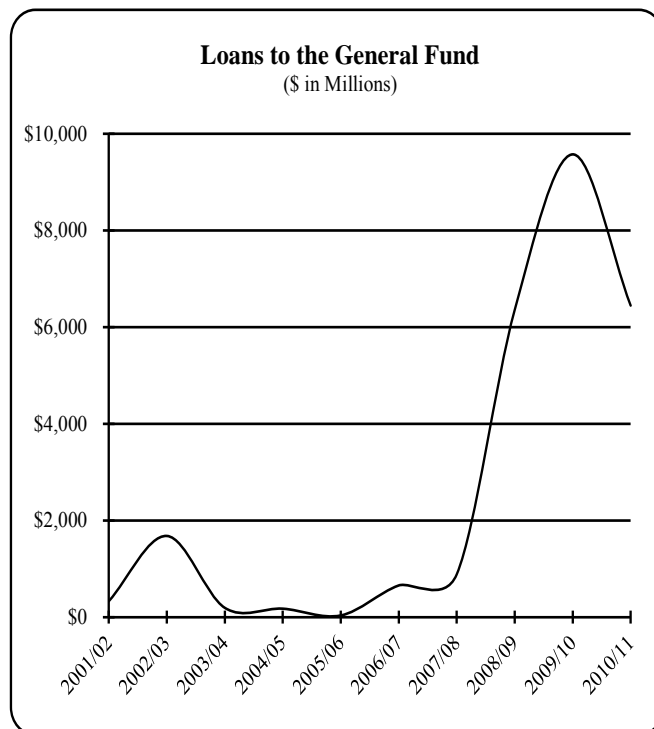
Summary of Investments and Earnings

Fiscal Years Ending June 30

2002 through 2011

(\$ in Thousands)

Loans to General Fund				Total Investments			
Average Daily		Earnings		Average Daily		Earnings	
Fiscal Year	Investment	Earnings	Rate (%)	Fiscal Year	Investment	Earnings	Rate (%)
2001-02	\$328,171	\$9,102	2.77	2001-02	\$49,827,077	\$1,716,545	3.45
2002-03	1,678,666	35,380	2.11	2002-03	52,636,648	1,132,930	2.15
2003-04	192,039	2,950	1.54	2003-04	54,581,850	836,072	1.53
2004-05	173,949	3,078	1.77	2004-05	53,860,487	1,215,116	2.26
2005-06	33,274	1,189	3.57	2005-06	55,714,817	2,157,845	3.87
2006-07	654,425	34,033	5.20	2006-07	58,147,441	2,977,625	5.12
2007-08	882,969	39,863	4.51	2007-08	63,479,513	2,745,747	4.32
2008-09	6,353,078	133,004	2.09	2008-09	60,003,197	1,334,677	2.22
2009-10	9,572,380	65,231	0.68	2009-10	65,080,839	423,804	0.65
2010-11	6,444,910	30,828	0.48	2010-11	67,221,703	332,579	0.49



Source: State Treasurer's Office, Investment Division

Financial Community Coverage

(The following firms conducted investment transactions with the State Treasurer's Office during the 2010-11 Fiscal Year.)

1st Capital Bank	First California Bank	RBC Capital Markets
1st Century Bank, NA	First National Bank of Northern California	RBS Securities Inc.
Alamo Capital	Five Star Bank	River City Bank
Alta Alliance Bank	Folsom Lake Bank	SAFE Credit Union
America California Bank	Ford Motor Credit Co.	Santa Cruz County Bank
American Perspective Bank	Fullerton Community Bank, FSB	Scotia Capital Markets (USA) Inc.
American Plus Bank, NA	General Electric Capital Corp.	SG Americas Securities, LLC
American River Bank	Golden 1 Credit Union, The	Signature Securities Group Corp.
Banc of America Securities, LLC	Goldman Sachs and Co.	Societe Generale
Bank of Montreal	Great Pacific Securities	State Bank of India (California)
Bank of Sacramento	HSBC Bank USA, NA	Stone and Youngberg, LLC
Bank of the Sierra	ICAP Corporates, LLC	Summit State Bank
Bank of the West	J.P. Morgan Securities, LLC	Sutter Securities, Inc.
Bank of Tokyo-Mitsubishi, LTD (The)	Jefferies & Co., Inc.	Torrey Pines
Barclays Capital Inc.	KeyBanc Capital Markets, Inc.	Toussaint Capital Partners, LLC
BGC Brokers, Inc.	Loop Capital Markets, LLC	Toyota Motor Credit Corp.
Blaylock Robert Van, LLC.	M.R. Beal and Co.	Travis Credit Union
BMO Capital Markets Corp.	Malaga Bank	Tri Counties Bank
BNP Paribas Securities Corp.	Manufacturers Bank	Tullett Prebon
Borel Private Bank & Trust Company	Mechanics Bank, The	UBS Securities
Broadway Federal Bank, FSB	Merchants National Bank of Sacramento	Union Banc Investment Services
Cal State 9 Credit Union	Merrill Lynch & Co., Inc.	Union Bank, NA
California Bank of Commerce	Metropolitan Bank	Valley Community Bank
California United Bank	MFR Securities, Inc.	Vining-Sparks IBG, L.P.
CastleOak Securities	Mission Federal Credit Union	Westamerica Bank
Center Bank	Mission Valley Bank	Williams Capital Group, L.P. (The)
Central Valley Community Bank	Mizuho Securities USA, Inc.	Wilshire State Bank
CIBC World Markets Corp.	Morgan Stanley	Woori America Bank
Citigroup Global Markets Inc.	Muriel Siebert & Co., Inc.	
Citizens Business Bank	Nara Bank	
City National Bank	Oak Valley Community Bank	
Comerica Bank	Oceanic Bank	
Commerce National Bank	Omni Bank, NA	
CommerceWest Bank, NA	OneUnited Bank	
Commonwealth Business Bank	Oppenheimer & Co., Inc.	
Community Bank	Pacific Alliance Bank	
Credit Suisse Securities USA, LLC	Pacific City Bank	
D.A. Davidson & Co.	Pacific Trust Bank, FSB	
East West Bank	Prospectors Federal Credit Union	
Eastern International Bank	Provident Credit Union	
El Dorado Savings Bank, FSB	Rabobank International, New York	
Farmers & Merchants Bank of Central California	Rabobank, NA	

Source: State Treasurer's Office, Investment Division

Surplus Money Investment Fund

Program Summary

The Surplus Money Investment Fund (SMIF) consists of the available cash of all special funds which do not have investment authority of their own, and all or a portion of the available cash of special funds having investment authority of their own, but which have elected to be included in the program. Cash balances in excess of needs in any of these participating funds are invested by the Treasurer.

The PMIB determines whether any cash balances of the participating funds exceed current needs and are available for investment, or whether it is necessary to liquidate previous investments to meet current requirements. This determination is performed operationally by the State Controller's Office by means of a continuing review of the cash balances of the participating funds.

As a result of these determinations, the State Controller prepares a document for the PMIB's approval which authorizes the State Controller to increase or decrease the invested balances of the applicable funds.

All of the resources of the SMIF are invested through the PMIA. Prior to the 1967-68 fiscal year, the SMIF was a separate investment program. In 1967, legislation was enacted (Chapter 505, Statutes 1967) which provided that money in the SMIF shall be invested through the PMIA. This legislation further provided that the SMIF would share in the interest earnings of the PMIA based on the ratio that the dollar-day contributions of the SMIF bear to the dollar-day investments of the PMIA.

This legislation increased the potential investment earnings for both programs, since their high and low resource periods tend to complement each other. Consequently, under normal market conditions, more long-term, higher yielding securities may be purchased.

Earnings for 2010-11

Gross earnings totaled \$181,259,025 for 2010-11. This represents an earning rate of 0.49 percent for this investment program.

SMIF earnings are computed on a dollar-day basis to guarantee equitable distribution among all member funds and apportioned quarterly by the State Controller.

Participation

There were over one thousand special funds and accounts participating in the SMIF as of the last day of the fiscal year—June 30, 2011. Their combined deposits totaled \$35,009,852,663.

Large contributors as of June 30, 2011 were as follows:

Department of Water Resources Electric Power Fund	\$2,651,450,000
Highway Safety, Traffic Reduction Fund (2006)	\$2,476,705,000
Unemployment Compensation Disability Fund	\$2,024,052,000
Public Buildings Construction Fund	\$1,628,967,000
Disaster & Flood Bond Fund (2006)	\$1,568,461,000
California Housing Finance Fund	\$1,511,662,000
Safe Drinking Water Fund (2006)	\$1,463,450,000
Mental Health Services Fund	\$1,444,490,000
Public Employees' Retirement Fund	\$1,245,535,000
Housing/Emergency Shelter Fund	\$1,011,682,000

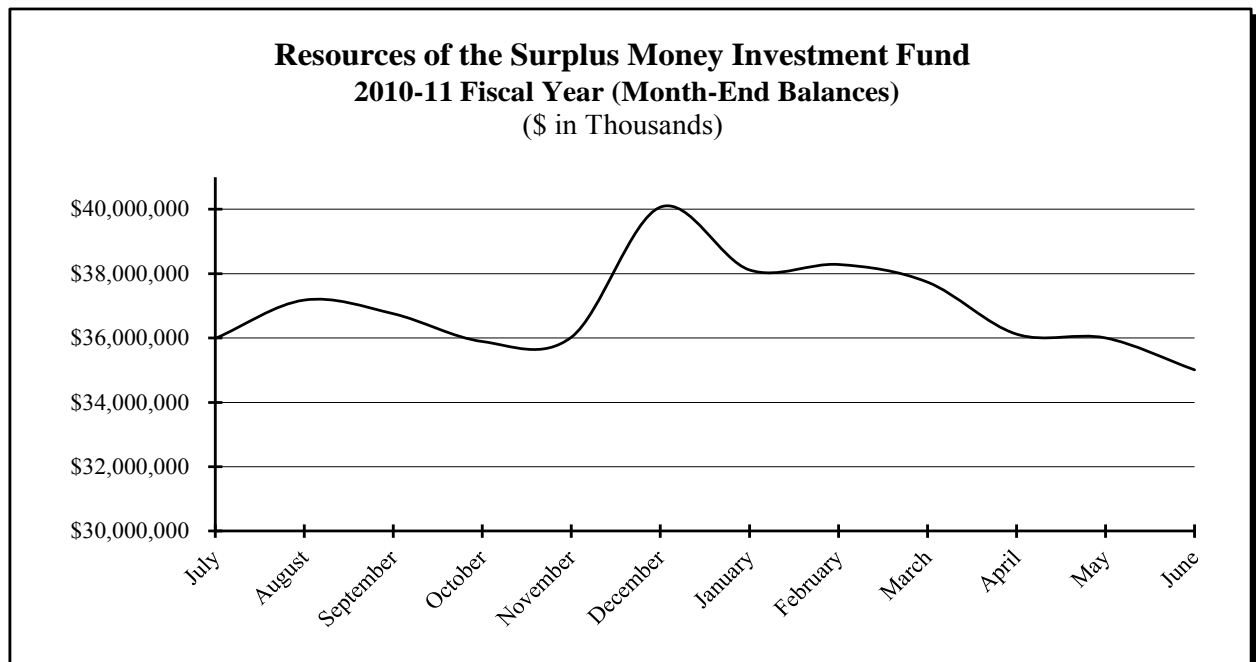
The Year in Review

Resources.....	\$36.630 billion per day on average
Earnings.....	\$181 million
Earning Rate.....	0.49 percent

Source: State Treasurer's Office, Investment Division

Monthly deposit balances are shown in the following table:

Resources of The Surplus Money Investment Fund 2010-11 Fiscal Year (Month-End Balances)	
Month	Total
July 2010.....	\$35,985,932,000
August.....	37,178,504,000
September.....	36,753,058,000
October.....	35,889,345,000
November.....	36,024,493,000
December.....	40,066,513,000
January 2011.....	38,114,483,000
February.....	38,283,503,300
March.....	37,736,163,000
April.....	36,120,074,000
May.....	36,002,145,400
June.....	35,009,852,663



Source: State Controller's Office, *Report of Cash Assets of all Funds in the State Treasury*

Local Agency Investment Fund

Program Summary

The Local Agency Investment Fund (LAIF) was established by Chapter 730, Statutes of 1976. This fund enables local governmental agencies or trustees to remit money not required for immediate needs to the State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, the State Treasurer has elected to invest these monies as a part of the PMIA.

Each participating agency determines the length of time its money will be on deposit with the State Treasurer with the exception of bond proceeds, which must remain for a minimum of 30 days. At the end of each calendar quarter, all earnings derived from investments are distributed by the State Controller to the participating government agencies in proportion to each agency's respective amounts deposited in the Fund and the length of time such amounts remained. Prior to the distribution, the State's reasonable costs of administering this program are deducted from the earnings.

Earnings for 2010-11

Gross earnings for 2010-11 totaled \$112,656,195. This represented a 0.50 percent yield for this investment program.

Participation

As of June 30, 2011, there were 2,783 participants in the LAIF consisting of 55 counties, 475 cities, 1,781 special districts, 313 trustees and 159 bond accounts. Deposits in the fund averaged \$22.76 billion for the year.

The Year in Review

Resources.....	\$22.76	billion per day on average
Earnings.....	\$112.66	million
Earning Rate.....	0.50	percent
Participation.....	2,783	agencies or accounts at year-end

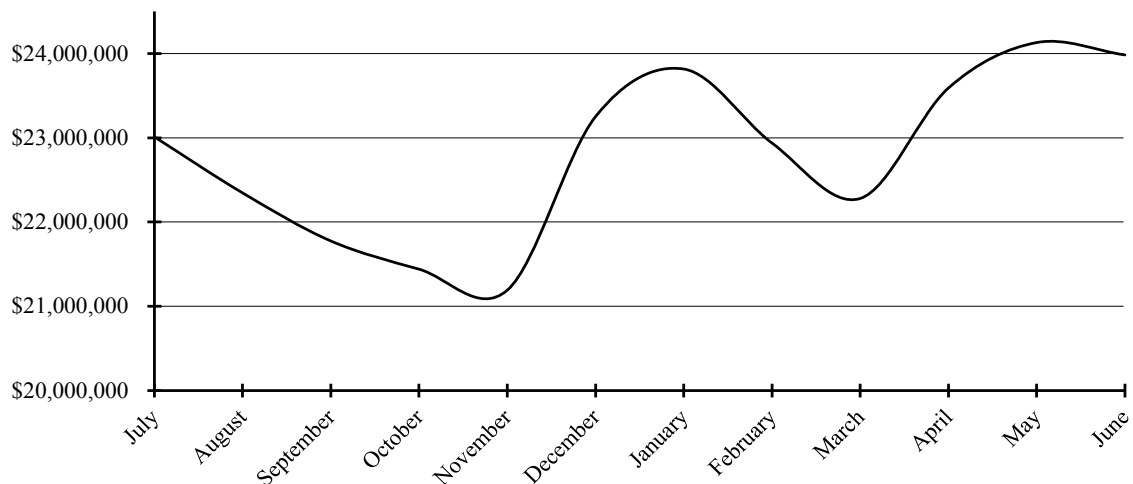
Source: State Treasurer's Office, Investment Division (LAIF)

The following table shows monthly resources of the LAIF:

**Resources of
The Local Agency Investment Fund
2010-11 Fiscal Year (Month-End Balances)**

Month	Total
July 2010.....	\$23,012,043,938
August.....	22,346,222,037
September.....	21,775,803,542
October.....	21,440,715,125
November.....	21,190,924,236
December.....	23,250,598,941
January 2011.....	23,816,883,764
February.....	22,938,823,522
March.....	22,280,118,342
April.....	23,590,995,511
May.....	24,130,905,103
June.....	23,983,771,875

**Resources of the Local Agency Investment Fund
2010-11 Fiscal Year (Month-End Balances)**
(\$ in Millions)



Source: State Treasurer's Office, Investment Division (LAIF)

Appendices

Appendix A

Pooled Money Investment Account Summary of Investments and Earnings (\$ in Thousands)

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate	Average Earning Rate (Percent)		
			(Percent)	5 Years	10 Years	15 years
1956-57	\$ 393,742	\$ 9,573	2.43			
1957-58	594,306	16,421	2.76			
1958-59	544,868	15,762	2.89			
1959-60	614,835	21,045	3.42			
1960-61	736,204	28,139	3.82	3.23		
1961-62	867,144	26,521	3.06	3.19		
1962-63	910,863	30,548	3.35	3.31		
1963-64	896,535	32,519	3.63	3.46		
1964-65	966,592	38,004	3.93	3.56		
1965-66	1,083,347	47,761	4.41	3.68	3.48	
1966-67	1,057,800	52,540	4.97	4.06	3.62	
1967-68	1,117,717	56,566	5.06	4.40	3.85	
1968-69	1,301,302	78,174	6.01	4.88	4.17	
1969-70	1,216,414	84,781	6.97	5.48	4.52	
1970-71	1,264,894	77,527	6.13	5.83	4.75	4.32
1971-72	1,397,494	68,350	4.89	5.81	4.93	4.35
1972-73	2,254,401	125,116	5.55	5.91	5.15	4.54
1973-74	2,594,629	232,780	8.97	6.50	5.69	4.94
1974-75	2,749,431	238,298	8.67	6.84	6.16	5.29
1975-76	3,209,143	204,303	6.37	6.89	6.36	5.46
1976-77	4,460,487	261,657	5.87	7.08	6.45	5.65
1977-78	6,843,940	458,625	6.70	7.31	6.61	5.87
1978-79	8,123,266	692,417	8.52	7.22	6.86	6.20
1979-80	8,285,941	873,469	10.54	7.60	7.22	6.64
1980-81	7,298,693	786,877	10.78	8.48	7.69	7.07
1981-82	5,234,524	631,968	12.07	9.72	8.40	7.54
1982-83	5,254,589	549,229	10.45	10.47	8.89	7.90
1983-84	7,094,849	738,462	10.41	10.85	9.04	8.19
1984-85	11,903,660	1,275,503	10.72	10.89	9.24	8.44
1985-86	15,438,406	1,401,990	9.08	10.55	9.51	8.64
1986-87	19,167,196	1,425,047	7.43	9.62	9.67	8.81
1987-88	17,628,558	1,388,074	7.87	9.10	9.79	8.96
1988-89	17,496,405	1,516,767	8.67	8.75	9.80	8.94
1989-90	19,558,775	1,692,905	8.66	8.34	9.61	8.94
1990-91	20,754,895	1,663,140	8.01	8.13	9.34	9.05
1991-92	21,456,433	1,329,476	6.20	7.88	8.75	9.07
1992-93	23,051,543	1,085,126	4.71	7.25	8.18	8.94
1993-94	25,433,078	1,115,660	4.39	6.39	7.57	8.67
1994-95	26,802,123	1,482,574	5.53	5.77	7.05	8.33
1995-96	26,623,196	1,519,020	5.71	5.31	6.72	7.99
1996-97	28,264,069	1,582,443	5.60	5.19	6.53	7.56
1997-98	29,344,512	1,672,382	5.70	5.38	6.32	7.25
1998-99	33,451,088	1,787,765	5.34	5.58	5.98	6.91
1999-00	35,029,034	1,999,483	5.71	5.61	5.69	6.57

Appendix A (Continued)

Fiscal Year	Average Investment		Annual Earnings Rate			
	Portfolio	Earnings	(Percent)	5 Years	10 Years	15 years
2000-01	\$ 43,840,421	\$ 2,676,158	6.10	5.69	5.50	6.38
2001-02	49,827,077	1,716,545	3.45	5.27	5.22	6.11
2002-03	52,636,648	1,132,930	2.15	4.55	4.97	5.73
2003-04	54,581,850	836,072	1.53	3.79	4.68	5.25
2004-05	53,860,487	1,215,116	2.26	3.10	4.36	4.83
2005-06	55,714,817	2,157,845	3.87	2.65	4.17	4.55
2006-07	58,147,441	2,977,625	5.12	2.99	4.12	4.48
2007-08	63,479,513	2,745,747	4.32	3.42	3.99	4.45
2008-09	60,003,197	1,334,677	2.22	3.56	3.67	4.31
2009-10	65,080,839	423,804	0.65	3.24	3.17	3.98
2010-11	67,221,703	332,579	0.49	2.56	2.61	3.63

Source: The average investment portfolio, earnings and annual earnings rate were taken from the published *Annual Report of the PMIB* for each fiscal year. Please see the following note.

NOTE TO PMIA SUMMARY OF INVESTMENTS AND EARNINGS TABLE

The PMIB was established as an agency of State government by Chapter 1703, Statutes of 1955, and became operational in April 1956. The first full year for the PMIA was 1956-57. In 1957-58, the SMIF and the Condemnation Deposits Fund (CDF) were placed under the administration of the PMIB. Separate investment portfolios were managed for these two funds for a number of years. SMIF operated this way until 1967-68, when legislation allowed this fund to be invested as a part of the PMIA. The CDF continued as a separate investment portfolio until 1975, when it was combined with the PMIA. In order to make data for the early years in the table comparable to the later years (1975-76 and after), the average daily investment and the annual earnings for both SMIF and CDF were combined with those for the PMIA. The earning rates for these early years were computed using these combined figures.

Appendix B

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

			Allocation Rate	
			LAIF	SMIF
Date	Monthly Average	Annual Average	Quarterly	Semi-Annual
Jan-77	5.77	5.87	5.68	5.79
Feb-77	5.66			
Mar-77	5.66			
Apr-77	5.65			
May-77	5.76			
Jun-77	5.85			
Jul-77	5.93			
Aug-77	6.05			
Sep-77	6.09			
Oct-77	6.39			
Nov-77	6.61	6.70	6.45	6.18
Dec-77	6.73			
Jan-78	6.92			
Feb-78	7.05			
Mar-78	7.14			
Apr-78	7.27			
May-78	7.39			
Jun-78	7.57			
Jul-78	7.65			
Aug-78	7.82			
Sep-78	7.87	8.52	7.86	8.09
Oct-78	8.11			
Nov-78	8.29			
Dec-78	8.77			
Jan-79	8.78			
Feb-79	8.90			
Mar-79	8.82			
Apr-79	9.08			
May-79	9.05			
Jun-79	9.22			
Jul-79	9.20	9.10	8.98	
Aug-79	9.53			
Sep-79	9.26			
Oct-79	9.81			
Nov-79	10.22	10.06	9.66	
Dec-79	10.22			

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

			Allocation Rate	
			LAIF	SMIF
Date	Monthly Average	Annual Average	Quarterly	Semi-Annual
Jan-80	10.98	10.54	11.11	11.38
Feb-80	11.25			
Mar-80	11.49			
Apr-80	11.48			
May-80	12.02			
Jun-80	11.80			
Jul-80	10.21			
Aug-80	9.87			
Sep-80	9.95			
Oct-80	10.06			
Nov-80	10.43			
Dec-80	10.96			
Jan-81	10.99	10.78	10.47	10.21
Feb-81	11.69			
Mar-81	11.13			
Apr-81	11.48			
May-81	12.18			
Jun-81	11.44			
Jul-81	12.35			
Aug-81	12.84			
Sep-81	12.06			
Oct-81	12.40			
Nov-81	11.89			
Dec-81	11.48			
Jan-82	11.68	12.07	11.91	12.19
Feb-82	12.04			
Mar-82	11.84			
Apr-82	11.77			
May-82	12.27			
Jun-82	11.99			
Jul-82	12.24			
Aug-82	11.91			
Sep-82	11.15			
Oct-82	11.11			
Nov-82	10.70			
Dec-82	10.40			

Appendix B (Continued)

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

			Allocation Rate	
			LAIF	SMIF
Date	Monthly Average	Annual Average	Quarterly	Semi-Annual
Jan-83	10.25	10.45	9.87	9.98
Feb-83	9.89			
Mar-83	9.69			
Apr-83	9.87			
May-83	9.53			
Jun-83	9.60			
Jul-83	9.88			
Aug-83	10.08			
Sep-83	10.20			
Oct-83	10.18			
Nov-83	10.16	10.41	10.18	
Dec-83	10.23			
Jan-84	10.31			
Feb-84	10.28			
Mar-84	10.38			
Apr-84	10.59			
May-84	10.84			
Jun-84	11.12			
Jul-84	11.36			
Aug-84	11.56			
Sep-84	11.60	10.72	11.53	
Oct-84	11.68			
Nov-84	11.47			
Dec-84	11.02			
Jan-85	10.58			
Feb-85	10.29			
Mar-85	10.12			
Apr-85	10.03			
May-85	10.18			
Jun-85	9.74			
Jul-85	9.66	9.98	10.19	
Aug-85	9.42			
Sep-85	9.57			
Oct-85	9.48			
Nov-85	9.49			
Dec-85	9.37			

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF Semi-Annual
Jan-86	9.25	9.08	9.09	8.70
Feb-86	9.09			
Mar-86	8.96			
Apr-86	8.62			
May-86	8.37			
Jun-86	8.23			
Jul-86	8.14			
Aug-86	7.84			
Sep-86	7.51			
Oct-86	7.59			
Nov-86	7.43	7.44	7.48	7.65
Dec-86	7.44			
Jan-87	7.37			
Feb-87	7.16			
Mar-87	7.21			
Apr-87	7.04			
May-87	7.29			
Jun-87	7.29			
Jul-87	7.46			
Aug-87	7.56			
Sep-87	7.71	7.87	7.54	7.80
Oct-87	7.83			
Nov-87	8.12			
Dec-87	8.07			
Jan-88	8.08			
Feb-88	8.05			
Mar-88	7.95			
Apr-88	7.94			
May-88	7.82			
Jun-88	7.93			
Jul-88	8.09	8.45	8.20	7.95
Aug-88	8.25			
Sep-88	8.34			
Oct-88	8.40			
Nov-88	8.47			
Dec-88	8.56			

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

			Allocation Rate		
			LAIF	SMIF	
Date	Monthly Average	Annual Average	Quarterly	Semi-Annual	
Jan-89	8.70	8.67	8.76	8.97	
Feb-89	8.77				
Mar-89	8.87				
Apr-89	8.99				
May-89	9.23		9.13	8.97	
Jun-89	9.20				
Jul-89	9.06				
Aug-89	8.83				
Sep-89	8.80		8.87	8.78	
Oct-89	8.77				
Nov-89	8.69				
Dec-89	8.65	8.68	8.78		
Jan-90	8.57				
Feb-90	8.54				
Mar-90	8.51	8.52	8.52		
Apr-90	8.50				
May-90	8.53				
Jun-90	8.54	8.66	8.50	8.52	
Jul-90	8.52				
Aug-90	8.38				
Sep-90	8.33				
Oct-90	8.32		8.39	8.34	
Nov-90	8.27				
Dec-90	8.28				
Jan-91	8.16		8.01	7.97	7.67
Feb-91	8.00				
Mar-91	7.78				
Apr-91	7.67	7.38		7.67	
May-91	7.37				
Jun-91	7.17				
Jul-91	7.10				
Aug-91	7.07	7.00		6.74	
Sep-91	6.86				
Oct-91	6.72				
Nov-91	6.59				
Dec-91	6.32	6.52			

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF Semi-Annual
Jan-92	6.12	6.20	5.87	5.65
Feb-92	5.86			
Mar-92	5.68			
Apr-92	5.69		5.45	5.65
May-92	5.38			
Jun-92	5.32			
Jul-92	5.24		4.97	4.82
Aug-92	4.96			
Sep-92	4.76			
Oct-92	4.73		4.67	4.82
Nov-92	4.66			
Dec-92	4.65			
Jan-93	4.68	4.71	4.64	4.61
Feb-93	4.65			
Mar-93	4.62			
Apr-93	4.61		4.51	4.61
May-93	4.43			
Jun-93	4.55			
Jul-93	4.44		4.44	4.39
Aug-93	4.47			
Sep-93	4.43			
Oct-93	4.38		4.36	4.39
Nov-93	4.37			
Dec-93	4.38			
Jan-94	4.36	4.39	4.25	4.36
Feb-94	4.18			
Mar-94	4.25			
Apr-94	4.33		4.45	4.36
May-94	4.43			
Jun-94	4.62			
Jul-94	4.82		4.96	5.15
Aug-94	4.99			
Sep-94	5.11			
Oct-94	5.24		5.37	5.15
Nov-94	5.38			
Dec-94	5.53			

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF Semi-Annual
Jan-95	5.61	5.53	5.76	5.87
Feb-95	5.78			
Mar-95	5.93			
Apr-95	5.96		5.98	5.87
May-95	6.01			
Jun-95	6.00			
Jul-95	5.97		5.89	5.83
Aug-95	5.91			
Sep-95	5.83			
Oct-95	5.78		5.76	5.83
Nov-95	5.81			
Dec-95	5.75			
Jan-96	5.70	5.71	5.62	5.56
Feb-96	5.64			
Mar-96	5.56			
Apr-96	5.54		5.52	5.56
May-96	5.50			
Jun-96	5.55			
Jul-96	5.59		5.57	5.57
Aug-96	5.57			
Sep-96	5.60			
Oct-96	5.60		5.58	5.57
Nov-96	5.60			
Dec-96	5.57			
Jan-97	5.58	5.59	5.56	5.59
Feb-97	5.58			
Mar-97	5.58			
Apr-97	5.61		5.63	5.59
May-97	5.63			
Jun-97	5.67			
Jul-97	5.68		5.68	5.69
Aug-97	5.69			
Sep-97	5.71			
Oct-97	5.71		5.71	5.69
Nov-97	5.72			
Dec-97	5.74			

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

			Allocation Rate	
			LAIF	SMIF
Date	Monthly Average	Annual Average	Quarterly	Semi-Annual
Jan-98	5.74	5.70	5.70	5.67
Feb-98	5.72			
Mar-98	5.68			
Apr-98	5.67			
May-98	5.67			
Jun-98	5.67			
Jul-98	5.65			
Aug-98	5.65			
Sep-98	5.64			
Oct-98	5.56			
Nov-98	5.49			
Dec-98	5.37			
Jan-99	5.26	5.34	5.46	5.55
Feb-99	5.21			
Mar-99	5.14			
Apr-99	5.12			
May-99	5.09			
Jun-99	5.09			
Jul-99	5.18			
Aug-99	5.22			
Sep-99	5.27			
Oct-99	5.39			
Nov-99	5.48			
Dec-99	5.64			
Jan-00	5.76	5.71	5.19	5.13
Feb-00	5.82			
Mar-00	5.85			
Apr-00	6.01			
May-00	6.19			
Jun-00	6.35			
Jul-00	6.44			
Aug-00	6.50			
Sep-00	6.50			
Oct-00	6.52			
Nov-00	6.54			
Dec-00	6.53			
			5.46	5.34
			5.80	
			6.18	5.99
			6.47	
			6.52	6.49

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

			Allocation Rate	
			LAIF	SMIF
Date	Monthly Average	Annual Average	Quarterly	Semi-Annual
Jan-01	6.37	6.10	6.16	5.73
Feb-01	6.17			
Mar-01	5.98			
Apr-01	5.76			
May-01	5.33			
Jun-01	4.96			
Jul-01	4.63		5.32	
Aug-01	4.50			
Sep-01	4.29			
Oct-01	3.78			
Nov-01	3.53			
Dec-01	3.26			
Jan-02	3.07	3.52	3.99	
Feb-02	2.97			
Mar-02	2.86			
Apr-02	2.84			
May-02	2.74			
Jun-02	2.69			
Jul-02	2.71	2.75		2.85
Aug-02	2.59			
Sep-02	2.60			
Oct-02	2.49			
Nov-02	2.30			
Dec-02	2.20			
Jan-03	2.10	2.31	2.47	
Feb-03	1.94			
Mar-03	1.90			
Apr-03	1.86			
May-03	1.77			
Jun-03	1.70			
Jul-03	1.65	1.77		1.86
Aug-03	1.63			
Sep-03	1.64			
Oct-03	1.60			
Nov-03	1.57			
Dec-03	1.55			

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF * Quarterly
Jan-04	1.53	1.53		
Feb-04	1.44			
Mar-04	1.47		1.47	1.47
Apr-04	1.45			
May-04	1.43			
Jun-04	1.47		1.44	1.44
Jul-04	1.60			
Aug-04	1.67			
Sep-04	1.77		1.67	1.67
Oct-04	1.89			
Nov-04	2.00			
Dec-04	2.13		2.00	2.00
Jan-05	2.26	2.26		
Feb-05	2.37			
Mar-05	2.54		2.38	2.37
Apr-05	2.72			
May-05	2.86			
Jun-05	2.97		2.85	2.85
Jul-05	3.08			
Aug-05	3.18			
Sep-05	3.32		3.18	3.18
Oct-05	3.46			
Nov-05	3.64			
Dec-05	3.81		3.63	3.63
Jan-06	3.96	3.87		
Feb-06	4.04			
Mar-06	4.14		4.03	4.03
Apr-06	4.31			
May-06	4.56			
Jun-06	4.70		4.53	4.53
Jul-06	4.85			
Aug-06	4.95			
Sep-06	5.02		4.93	4.93
Oct-06	5.10			
Nov-06	5.13			
Dec-06	5.13		5.11	5.11

Appendix B (Continued)

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF * Quarterly
Jan-07	5.16	5.12	5.17	5.17
Feb-07	5.18			
Mar-07	5.21			
Apr-07	5.22			
May-07	5.25		5.23	5.23
Jun-07	5.25			
Jul-07	5.26			
Aug-07	5.25			
Sep-07	5.23	4.33	5.24	5.24
Oct-07	5.14			
Nov-07	4.96			
Dec-07	4.80			
Jan-08	4.62		4.18	4.17
Feb-08	4.16			
Mar-08	3.78			
Apr-08	3.40			
May-08	3.07	2.22	3.11	3.11
Jun-08	2.89			
Jul-08	2.79			
Aug-08	2.78			
Sep-08	2.77		2.77	2.77
Oct-08	2.71			
Nov-08	2.57			
Dec-08	2.35			
Jan-09	2.05	0.90	1.91	1.90
Feb-09	1.87			
Mar-09	1.82			
Apr-09	1.61			
May-09	1.53	0.90	1.51	1.51
Jun-09	1.38			
Jul-09	1.04			
Aug-09	0.92			
Sep-09	0.75	0.60	0.90	0.89
Oct-09	0.65			
Nov-09	0.61			
Dec-09	0.57			

Appendix B (Continued)

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

			Allocation Rate	
			LAIF Quarterly	SMIF * Quarterly
Date	Monthly Average	Annual Average		
Jan-10	0.56	0.65	0.56	0.55
Feb-10	0.58			
Mar-10	0.55			
Apr-10	0.59			
May-10	0.56		0.56	0.56
Jun-10	0.53			
Jul-10	0.53			
Aug-10	0.51			
Sep-10	0.50		0.51	0.50
Oct-10	0.48			
Nov-10	0.45			
Dec-10	0.46	0.46	0.46	
Jan-11	0.54			
Feb-11	0.51			
Mar-11	0.50	0.51	0.51	
Apr-11	0.59			
May-11	0.41			
Jun-11	0.45	0.50	0.48	0.48

Effective January 1, 2004, SMIF earnings are allocated quarterly.

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The State Treasurer's Office complies with the Americans With Disabilities Act (ADA).